

NAR Issue Summaries

Housing / VA Rehab Loans

NAR Committee:

Federal Financing and Housing Policy Committee

What is the fundamental issue?

Since its establishment in 1944, the VA home loan program has helped millions of veterans realize the dream of homeownership. NAR believes this program is a vital tool that provides veterans with a centralized, affordable, and accessible method of purchasing homes as a benefit of their service to our nation.

However, NAR has been working with VA to provide more flexibility to veteran buyers. For example, VA does not have a loan that can be used to purchase and rehabilitate a home, similar to the FHA 203k program. The lack of a combined purchase-rehabilitation loan program leaves veterans disadvantaged in buying REOs and older homes that need some work.

I am a real estate professional. What does this mean for my business?

VA loans provide zero-downpayment financing for veterans and surviving spouses. The addition of a purchase-rehabilitation loan will enable veterans to take advantage of properties that need some work.

NAR Policy:

NAR is a strong supporter of, and REALTORS® are a major participant in, the VA Home Loan Guaranty Program. The VA Home Loan Guarantee program has guaranteed more than 20 million loans to American veterans, with a total loan volume over one trillion dollars. This program is a vital homeownership tool that provides veterans with a centralized, affordable, and accessible method of purchasing homes as a benefit for their service to our nation. NAR supports efforts such as the creation of a rehabilitation-purchase loan to expand housing opportunities for our veterans.

Opposition Arguments:

There is no known opposition to a VA purchase-rehabilitation loan.

Legislative/Regulatory Status/Outlook

NAR is working with the Department of Veterans Affairs on the creation of a rehabilitation loan program similar to the FHA 203k program. That FHA program allows borrowers to purchase a home and include the costs of rehabilitation in the loan. This would be a great benefit to our nation's veterans.

Current Legislation/Regulation (bill number or regulation)

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None at this time.

Legislative Contact(s):

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